

Offered: 4/26/83
Referred: Rules

Original sponsor: Labor and Commerce
Committee

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 308(L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to insurance."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 21.39.155(a) is amended to read:

9 (a) The director may require carriers, except a reciprocal
10 insurer formed by a group of municipalities or nonprofit public utili-
11 ties under AS 21.75, as a condition of writing a line of insurance
12 dealing with workers' compensation, to participate in an assigned risk
13 pool if the director finds that mandatory carrier participation is in
14 the public interest.

15 * Sec. 2. AS 21.75.050 is amended by adding a new subsection to read:

16 (c) A domestic reciprocal insurer formed under this chapter by
17 and insuring only 10 or more municipalities shall (1) comply with (a)
18 of this section or post a bond for an amount equal to the capital that
19 would be required of a domestic stock insurer writing the same lines
20 of insurance for which the reciprocal insurer seeks to be authorized,
21 and (2) maintain a surplus of \$250,000 in admitted assets or a sur-
22 plus sufficient to operate the reciprocal insurer for one year, which-
23 ever is greater.

24 * Sec. 3. AS 21.75.060(a) is amended to read:

25 (a) Ten [TWENTY-FIVE] or more persons domiciled in this state
26 may organize a domestic reciprocal insurer and make application to the
27 director for a certificate of authority to transact insurance.

28 * Sec. 4. AS 21.75 is amended by adding a new section to read:

29 Sec. 21.75.340. DEFINITIONS. In this chapter "municipality"

1 means a political subdivision incorporated under the laws of the state
2 that is a home rule or general law city, a home rule or general law
3 borough, or a unified municipality.

4 * Sec. 5. AS 21.80.180(5) is amended to read:

5 (5) "insolvent insurer" means an insurer

6 (A) authorized to transact insurance in this state,
7 except an assessable reciprocal insurer formed by and insuring
8 only municipalities or nonprofit public utilities, the Medical
9 Indemnity Corporation of Alaska, and the Health Care Providers
10 Joint Underwriting Association established under AS 21.88.010 -
11 21.88.900, either at the time the policy was issued or when the
12 insured event occurred, and

13 (B) determined to be insolvent by a court of competent
14 jurisdiction;

15 * Sec. 6. AS 21.80.180(6) is amended to read:

16 (6) "member insurer" means a person, except an assessable
17 reciprocal insurer formed by and insuring only municipalities or
18 nonprofit public utilities, the Medical Indemnity Corporation of
19 Alaska, and the Health Care Providers Joint Underwriting Association
20 established under AS 21.88.010 - 21.88.900, who

21 (A) writes any kind of insurance to which AS 21.80.-
22 010 - 21.80.190 apply under AS 21.80.020 including the exchange
23 of reciprocal or inter-insurance contracts, and

24 (B) is licensed to transact insurance in this state;